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EL SALVADOR: Military Commander Revolts

The rebellion of an important field commander has caused divisions in the armed forces and has increased tensions between Defense Minister Garcia and Assembly President D'Aubuisson. [REDACTED]

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Lt. Col. Sigifredo Ochoa, who commands more than 1,000 troops in Cabanas Department in northern El Salvador, has declared himself in rebellion against Garcia. [REDACTED]

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Comment: Ochoa is widely respected for his tactical ability and decisive leadership, and his revolt is the most serious challenge to Garcia's power in three years. Discontent with the Defense Minister's handling of the counterinsurgency has grown in recent months, particularly among junior officers, and he faces increased military and political pressure to step down. Nonetheless, his position of relative strength may enable him to weather this challenge peacefully. [REDACTED]

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Ochoa's surrender would enhance Garcia's position with D'Aubuisson and the ultraright. The Defense Minister probably will be forced, however, to accept a compromise solution. [REDACTED]

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UK-US: Liberal Party Leader's Visit

Liberal Party leader David Steel, who arrives in Washington on Sunday, is trying to recapture attention for the faltering Social Democratic - Liberal Alliance and to strengthen his own political standing. [redacted]

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Comment: Steel probably considers the visit as helping to pave the way for the planned public relations drive to revitalize the Alliance later this month. Steel is a supporter of close alignment with the Social Democrats and would probably accept their leader, Roy Jenkins, as the Alliance's prime minister - designate. The polls, however, show him to be the more popular politician and show Liberal strength holding up better than that of the Social Democrats. [redacted]

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Despite the Alliance's recent drop in the polls, it still might capture enough support to hold the balance in Parliament after the next election. With this in mind, Steel probably hopes to help Jenkins appear to be the leader of the Alliance while putting himself in a position to determine the outcome of any postelection bargaining. [redacted]

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Steel, like his Social Democratic colleagues, supports INF and is sympathetic to a British national nuclear program, although he opposes Trident. For the past two years, however, the Liberal Party's annual conference has voted to reject INF and to phase out existing submarine-launched ballistic missiles. Steel is not bound by the conference decisions, but he is concerned about growing unilateralist sentiment. [redacted]

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In an effort to stake out a distinct political position for the Alliance, Steel is likely to support movement away from the zero option on INF and may endorse including British systems in arms control negotiations. He also may support a nuclear freeze, although some Social Democrats would find this unpalatable. [redacted]

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Steel is likely to urge a "dual key" arrangement that puts US nuclear weapons based in the UK under the control of both London and Washington. He appears to believe that Prime Minister Thatcher's government is vulnerable on this increasingly prominent issue and that emphasis on the question could help fend off opponents of INF. [redacted]

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SOUTH AFRICA: More Pressure on Neighbors

South Africa is attempting to extract political concessions from Zimbabwe in return for alleviating its fuel crisis, and South African - backed Mozambican insurgents are expanding their operations near Maputo.

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The pipeline, which was about to reopen, was damaged again this week in an attack by the South African - backed National Resistance Movement in Mozambique. Meanwhile, the insurgents have recently stepped up their operations in the southernmost part of Mozambique near Maputo. They have mined roads and attacked several towns--including one that is only 40 kilometers from the capital--and there is evidence that at least some of these attacks are being staged directly from South Africa.

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Comment: Mugabe will find it difficult to restrain hardliners from provocative statements that could further stiffen South African resistance to direct fuel sales. One minister violated the directive early this week by voicing widely held suspicions of South African involvement in dissident activity in southwestern Zimbabwe. While refusing to sell fuel, Pretoria and the Mozambican insurgents thus far have not obstructed shipments that pass through South Africa on a rail line from Maputo.

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Some of the increased insurgent activity near Maputo and the attack on the pipeline have occurred since mid-December, when the Mozambicans met with the South Africans in an effort to reduce bilateral tensions. This activity suggests that Pretoria is unable or unwilling to rein in the rebels. Although Maputo is not immediately threatened, further rebel advances toward the capital would put additional pressure on President Machel to seek Cuban combat assistance.

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WARSAW PACT: Defense Ministers' Meeting

TASS has announced that the annual Warsaw Pact Defense Ministers' meeting will be held in Prague within the next few days, apparently between Tuesday and Thursday. [REDACTED]

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Comment: As in the past, the conferees probably will be preoccupied with increasing defense budgets to overcome sluggish military modernization in Warsaw Pact countries other than the USSR, as well as with other contentious issues. East European representatives, particularly the Romanians, Hungarians, and Poles, probably would resist substantial increases. The meeting is likely to issue a communique reiterating much of the language on disarmament that emerged from the Political Consultative Committee meeting this week. It may also issue a warning of the Pact's determination to defend itself and condemn Western arms buildups, including the proposed fielding of the Pershing II in Europe later this year. [REDACTED]

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Special Analysis

GUATEMALA: Rios Montt's Prospects Improving

President Rios Montt has stemmed the erosion of his support within the military and the business community, and recent counter-insurgency successes have strengthened his prospects for surviving at least over the short term. His improved situation has enabled him to announce some new political reforms. Rios Montt's future, however, is still jeopardized by the continuing deterioration of the economy. [redacted]

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The armed forces are becoming increasingly persuaded that Rios Montt's successful counterinsurgency campaign, his new civic action programs, and his anticorruption drive are winning popular support for the government.

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[redacted] most officers now support the President, although some of this may depend on the Army's ability to sustain its success against possible renewed guerrilla attacks later this year. [redacted]

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A new test may come, however, when Rios Montt attempts to retire 136 colonels to make more headroom for promotion in the officer corps. The move will clear away some who were closely associated with the prior government, but it may revive coup plotting in the military. [redacted]

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Rios Montt appears to have enough support in the military to preclude a successful coup any time soon. Although recent success against the insurgents is the major reason for this support, the doubling of the share of the budget allotted to defense has further strengthened the President's position. The ongoing program of the military to produce munitions in Guatemala and the successful testing of a domestically produced armored personnel carrier have also improved morale. [redacted]

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Political Initiatives

With his position more secure, Rios Montt has undertaken to broaden political participation and eventually return Guatemala to constitutional rule. He has announced his intention to hold constituent assembly elections in early 1984 and to convene the assembly two months later. [redacted]

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To prepare for the elections, Rios Montt reportedly plans to announce new electoral laws on 23 March--the first anniversary of the coup that brought him to power. The laws will set new--and probably easier--guidelines for organizing political parties and restoring an elected government. They are likely to make voting procedures easier for all citizens. [REDACTED]

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Rios Montt may use the same occasion to end the state of siege imposed last July and permit political activity by parties, unions, and other groups. [REDACTED]

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Rios Montt is personally reluctant to call for presidential elections within two years. He complains that the existing parties do not represent Guatemalan society, and he wants to delay elections until new groups can effectively contest them. He probably hopes the new election law will result in an abundance of parties that will drain support from the major existing ones. [REDACTED]

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The President dare not move too rapidly on political initiatives, because there is little enthusiasm in the armed forces for electing a civilian government while serious insurgent activity and economic problems persist. A recent opinion poll echoed the military's view by showing that jobs and security, not elections, are the major concerns of the population. [REDACTED]

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Economic Problems Deepening

The economy remains Rios Montt's biggest problem. Economic activity is likely to decline further by at least 3 percent this year. [REDACTED]

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The insurgency and world recession have resulted in substantial losses of commercial credit, tourist business, and private investment. Foreign exchange reserves are virtually exhausted, and the government was forced to impose import quotas last month. [REDACTED]

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Rios Montt reportedly wants to move quickly to request an IMF standby agreement, which would help ease balance-of-payments problems and could encourage lending from other governments and organizations. The replacement last month of the President of the Central Bank, who had opposed an IMF agreement, will facilitate this move.

[redacted]

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The business community still shows some concern about Rios Montt's evangelical religious fervor, his lack of success in dealing with the economy, and his occasional criticisms of the private sector. His support from business and the working class will be in serious trouble if he does not establish a coherent economic policy soon and make some progress toward recovery.

[redacted]

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Substantial foreign economic assistance would help sustain Rios Montt's civic action programs. The President will need to uphold his promise of development assistance to the impoverished Indians or forfeit their growing support. Foreign economic or military assistance also would boost his stature with the military, but growing nationalism and a "go it alone" attitude in the ranks indicate that he would not risk his tenure immediately if he failed to obtain such aid.

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